

Summary of the Census of Wholesale Distribution, 1935¹

THE 1933 Census of American Business provided comprehensive data to measure the impact of the depression on the volume of wholesale trade,² and the 1935 census now provides an answer to many of the

¹ The material in this article was assembled by H. Lasken, of the Division of Economic Research, from the preliminary data presented in *Wholesale Distribution: Preliminary United States Summary*, issued by the United States Department of Commerce, Bureau of the Census. Being preliminary, caution is required in comparing this with previous census compilations, although some general observations may be made with reference to conditions peculiar to this field of distribution.

² Wholesale establishments are defined by the Bureau of the Census as "Places of business engaged primarily in selling, or acting as agents in purchasing or selling, goods on a wholesale basis. In addition to the conventional types of wholesalers, the number includes product-controlled selling branches and offices, agents and brokers, bulk tank stations, and assemblers of farm products with established places of business. Wholesale establishments are engaged in selling on a wholesale basis primarily to retailers, institutions, industrial users, and other wholesale organizations, for resale or further processing, rather than for personal or household consumption. For census purposes, wholesale establishments do not include peddlers or others selling at wholesale without recognizable places of business; nor establishments engaged in wholesaling as a secondary activity; nor central administrative offices of wholesale concerns when reported as separate establishments." Chain store warehouses, previously included, have been reclassified as retail establishments.

questions which have been raised as to how this major field of distribution has fared during the recovery period. Insofar as the number of establishments and gross volume of sales are concerned, the improvement in wholesale distribution compares favorably with that in other major fields. Just as the shrinkage in the dollar volume of wholesale sales was larger in the period from 1929 to 1933 than in retail sales, so the relative increase in the succeeding 2 years was larger, although 1935 wholesale sales were lower relative to 1929 than were retail sales. As in the case of retail trade, however, the number of establishments and the number of active proprietors were larger than in 1929.

Total wholesale sales of \$42,203,815,000 already reported for 1935 were 41 percent in excess of the sales reported in 1933. Although dollar sales in 1935 were about 63 percent of the 1929 figures, a rough adjustment for changes in the price level suggests that the actual

Table 1.—Summary of Wholesale Trade, by States,¹ 1935

State	Number of establishments	Sales			Active proprietors and firm members	Employees (full and part time), average for year	Pay roll (thousands of dollars)		
		Amount (thousands of dollars)	Percent gain over 1933	Percent of total			Total	Full time	Part time
Total	179,062	42,203,815	41	100.0	27,185	2,142,678	24,014,121	11,988,458	12,025,663
Alabama	1,618	286,322	45	0.7	929	19,692	14,229	13,900	283
Arizona	1,524	77,070	89	0.2	237	2,648	3,912	3,704	208
Arkansas	1,579	179,292	52	0.4	747	5,843	7,287	7,190	181
California	12,522	2,877,187	20	6.8	8,447	106,713	164,815	166,425	2,389
Colorado	1,877	322,651	29	0.8	829	8,847	14,715	14,284	431
Connecticut	1,472	367,624	80	0.9	761	12,650	20,311	19,915	396
Delaware	280	100,978	81	0.2	146	1,993	3,174	3,410	34
District of Columbia	626	241,706	68	0.6	327	8,226	13,782	13,474	178
Florida	3,237	267,654	51	0.6	1,006	18,857	22,501	21,961	540
Georgia	2,458	584,645	42	1.4	1,869	18,191	24,236	23,651	585
Idaho	986	81,477	51	0.2	362	3,243	3,689	3,513	176
Illinois	11,502	3,955,354	45	9.3	6,010	104,800	184,567	181,509	2,953
Indiana	4,830	688,245	58	1.6	2,182	23,293	31,691	31,702	689
Iowa	4,048	621,179	38	1.5	2,022	19,367	26,038	24,232	821
Kansas	4,016	359,632	33	0.9	2,072	12,653	16,114	15,928	491
Kentucky	2,059	330,592	63	0.8	1,228	16,001	12,379	12,008	371
Louisiana	2,120	575,312	28	1.4	987	17,220	22,096	21,158	938
Maine	955	125,192	28	0.3	504	6,222	8,243	8,123	120
Maryland	2,806	491,290	27	1.2	1,741	18,668	25,265	24,533	732
Massachusetts	5,766	1,791,980	24	4.2	3,242	51,771	86,645	85,923	1,422
Michigan	8,039	1,391,194	38	3.2	5,971	41,377	64,841	63,370	1,471
Minnesota	5,949	1,153,717	36	2.8	2,584	31,898	49,286	48,225	1,061
Mississippi	1,843	179,902	20	0.4	893	6,076	8,877	8,718	159
Missouri	5,873	1,935,561	22	4.6	3,735	56,248	87,350	85,947	1,403
Montana	1,348	121,847	65	0.3	225	4,127	5,690	5,587	103
Nebraska	3,118	637,324	26	1.3	1,586	13,687	18,191	17,627	564
Nevada	153	14,886	57	0.0	60	640	1,000	1,034	66
New Hampshire	350	63,780	41	0.1	172	2,113	3,174	3,109	66
New Jersey	3,024	718,871	46	1.7	1,669	20,777	43,703	43,016	686
New Mexico	271	44,820	61	0.1	141	1,827	1,853	1,697	156
New York	26,786	10,617,203	24	24.9	16,544	282,853	496,416	476,556	5,860
North Carolina	2,423	681,406	40	1.3	1,460	16,490	20,389	19,147	1,242
North Dakota	2,593	122,163	42	0.3	588	6,389	6,389	6,156	233
Ohio	9,074	2,023,131	48	4.8	5,344	68,108	106,925	104,726	2,199
Oklahoma	3,588	403,843	26	1.0	1,793	12,682	17,649	17,043	606
Oregon	1,500	238,824	72	0.4	870	11,086	17,454	16,818	636
Pennsylvania	10,432	2,793,041	24	6.4	7,226	81,874	131,149	128,692	2,457
Rhode Island	879	130,236	40	0.2	399	6,390	9,914	9,721	193
South Carolina	1,420	245,778	54	0.5	806	6,064	7,472	7,371	101
South Dakota	1,870	98,034	34	0.2	539	4,458	6,412	6,234	178
Tennessee	2,526	728,761	26	1.7	1,325	19,008	27,178	26,474	704
Texas	7,744	1,622,818	44	3.9	4,139	43,913	68,111	66,714	1,397
Utah	876	163,133	82	0.4	367	5,308	7,916	7,006	240
Vermont	337	61,640	24	0.1	140	2,008	2,326	2,208	118
Virginia	2,116	497,774	53	1.2	1,063	18,308	23,436	22,636	800
Washington	3,227	602,742	40	1.4	1,306	22,604	34,527	33,491	1,036
West Virginia	1,243	233,790	25	0.6	614	8,812	13,227	12,922	305
Wisconsin	4,136	670,281	40	1.9	2,036	24,488	36,746	35,808	938
Wyoming	340	26,040	38	0.1	124	816	1,146	1,146	34

¹ Preliminary. Final reports will be published as soon as possible.

² Totals are short by the amount of employment and pay roll of commission bulk tank stations, estimated as follows: Employees, 21,936; total pay roll, \$36,130,000; full-time pay roll, \$47,714,000; part-time employees, \$10,416,000.

³ Less than one-half of 1 percent.

with and without stocks, was 67 percent of the 1929 figure as compared with 112 percent for bulk tank stations.

Comparison of subgroups over the indicated years is limited by the less complete classification of wholesale establishments in the years prior to 1935. Where comparable data are available, it is evident that the subclasses have experienced highly different degrees of recovery subsequent to 1933, varying from a 3-percent decline in sales, reported by export wholesalers, to a 317-percent gain by import agencies in 1935 over 1933. Other groups varied widely within this range.

The main classifications, which are essentially comparable, do not show much change in the relative importance of the various types of operation. Full-service and limited-function wholesalers, with over 40 percent of total sales for all types of operation, maintained their position of leadership in amount of sales in 1935. The only change of trends in wholesaling of any consequence is the gain of approximately 1 percent each in sales of manufacturers' sales branches and offices.

More Establishments Than in 1929.

A gain of over 12,000 wholesale trade establishments already reported in 1935, as compared with 1933, raised the total number above the 1929 figure. This

1935 total would be larger if it were not for the fact that in some cases consolidated reports in 1935 for two or more units of manufacturers' sales branches and offices were accepted, and that a number of sales branches adjacent to plants were transferred from the wholesale census to the manufactures census. This vitiates any conclusions which may be drawn with regard to the apparent decline in the number of such establishments and emphasizes further the rise reported in sales of the smaller number of this type of establishment covered.

Ratio of Operating Expenses to Net Sales.

The differences in methods of wholesaling cause a wide variation in the ratio of operating expenses to net sales (gross sales and other operating receipts less returns and allowances). As used by the Bureau of the Census, operating expenses are "all expenses of reporting establishments * * *. The amount does not include charges to capital accounts, cost of goods sold, income taxes, etc." Operating expenses, including pay rolls, were 9.8 percent of net sales for all wholesale establishments in 1935. The lowest ratio was for brokers, whose expenses were less than 1½ percent of the total trade they negotiated and the highest was 23 percent for mail-order wholesalers.

Table 3.—Summary of Wholesale Trade.

NOTE.—A number of revisions were made in the 1933 data. However, these have not been presented in full in the preliminary report, so that only certain of the group leaders indicate lack of comparability.

Type of operation	Number of establishments		Sales						Operating expenses (including pay rolls)			
			Amount (thousands of dollars)		1929=100		Percent of total		Amount (thousands of dollars)		Percent of sales	
	1929	1935	1933	1935	1933	1935	Percent gain, 1935 over 1933		1933	1935	1933	1935
Total	183,585	178,892	35,006,187	42,808,816	65	63	41	100.0	3,578,265	4,141,181	11.9	9.8
Full-service and limited-function wholesalers	82,828	85,723	12,890,703	17,528,817	44	60	35	43.0	1,948,535	2,214,290	16.0	12.7
Wholesale merchants	70,850	76,871	14,335,157	19,325,157	—	—	—	34.0	1,701,302	1,883,807	15.8	13.3
Voluntary group wholesalers	132	132	99,325	99,325	—	—	—	.2	2,253	2,253	0.3	0.3
Convenience	302	302	294,121	294,121	—	—	—	.7	24,641	24,641	0.6	0.6
Exporters	463	503	558,147	622,789	37	55	—8	1.5	24,131	18,561	0.1	0.5
Importers	2,170	2,217	770,354	1,028,738	43	59	36	2.5	81,401	95,561	10.5	8.3
Industrial distributors	1,633	1,633	444,477	444,477	—	—	—	1.1	72,518	72,518	18.4	18.4
Drop shippers or jobbers	1,327	1,327	341,239	341,239	—	—	—	.9	23,190	23,190	0.5	0.5
Mail-order wholesalers	189	189	13,864	13,864	—	—	—	(6)	3,228	3,228	23.1	23.1
Retail cooperative warehouses	165	165	165,507	165,507	—	—	—	.4	6,617	6,617	0.2	0.2
Wagon distributors	4,238	4,238	212,869	212,869	—	—	—	.5	31,117	31,117	14.6	14.6
Limited-function wholesalers	3,380	3,380	309,828	309,828	—	—	—	1.2	41,826	41,826	11.5	11.5
Manufacturers' sales branches (with stocks)	12,408	11,845	4,947,971	7,322,218	45	67	49	10.5	704,070	898,418	14.9	11.9
Manufacturers' sales offices (without stocks)	4,415	4,154	2,328,606	3,430,129	45	67	50	7.8	177,584	240,733	7.4	6.0
Bulk tank stations (petroleum)	28,174	26,977	1,786,533	2,679,712	75	112	60	6.0	372,090	569,071	10.7	16.4
Independent stations	3,414	3,414	2,088,370	2,631,839	52	65	28	6.8	24,856	37,771	1.7	1.4
Chain-operated stations	10,496	10,496	1,573,819	1,573,819	—	—	—	4.4	277,597	277,597	14.8	14.8
Commission stations	0,415	0,415	493,817	493,817	—	—	—	1.1	78,446	78,446	14.6	14.6
Agents and brokers	13,807	15,676	4,296,143	8,335,814	44	60	35	31.0	207,687	223,808	3.2	3.0
Brokers	2,414	2,414	2,088,370	2,631,839	52	65	28	6.8	24,856	37,771	1.7	1.4
Commission merchants	3,128	3,128	2,224,864	2,632,221	47	55	20	7.2	72,031	84,036	3.2	2.5
Export agencies	240	240	135,125	240,867	34	71	106	.4	5,788	14,791	4.2	5.3
Import agencies	179	333	50,541	310,018	98	306	317	.2	3,220	10,297	0.4	4.3
Manufacturers' agents	4,972	7,645	873,024	789,047	35	50	40	1.9	38,901	44,333	0.8	0.7
Selling agents	1,224	1,708	988,401	1,424,815	35	50	40	3.2	47,857	68,643	4.3	4.4
Attache companies	630	630	441,106	335,321	65	62	39	1.4	12,116	10,490	2.7	2.3
Other agents	23,969	20,492	1,786,533	2,447,519	37	52	40	6.8	173,325	164,181	0.8	0.7
Assemblers	2,680	2,680	31,454	31,454	—	—	—	.1	4,803	1,616	15.0	5.0
Cream stations	2,732	2,102	880,072	622,104	47	63	34	2.2	65,720	57,350	9.6	6.2
Cooperative marketing associations	7,087	8,423	838,002	622,000	84	63	84	1.1	20,449	30,321	7.6	4.9
Elevators (grain)	10,810	10,810	840,687	840,687	—	—	—	1.5	23,784	23,784	5.2	5.2
Country buyers of farm products	11,283	1,607	718,588	320,663	81	35	20	2.2	77,767	41,178	10.8	17.9
Packers and shippers								.6				

1 A further classification by type of commodity handled, and a detailed definition of all classifications will be found in the *Census of Business: 1935—Wholesale Distribution*.

2 Percentages based on revised comparable data for 1933. Leaders indicate lack of comparable data for 1933.

3 Percentages computed from available data most nearly comparable for 1933 to provide better base for comparison with 1935.

4 See note 2, table 1. Omitted from body of table because estimated.

The principal cause of a high ratio of expenses to sales appears to be the extent of storage and handling of the commodities by the wholesaler. A measure of the degree of this service as a factor in his expenses of operation is afforded by the comparison of the ratio of stocks held at the end of the year to total sales and the ratio of expenses to total sales. A high degree of correlation exists between these two items. This is most evident in the case of agents and brokers, whose expense ratio is the lowest of any major group and whose stock ratio is the smallest for any group but one. The exception, manufacturers' sales offices without stocks, ranks next in expense, 6.6 percent. This is in contrast with the similar type of agency, manufacturers' sales branches with stocks, having a ratio of expenses to sales of 11.9 percent.

Employment and Pay Rolls.

Including an estimate for bulk tank stations operated on a commission basis, the number employed, both full time and part time, was 7 percent larger in 1935 than in 1933 and aggregate pay rolls were up 23 percent. Full-time pay increased 25 percent while part time pay declined 22 percent.

The average annual pay of wage earners, salaried workers, and executives of incorporated businesses, all of whom are included in the employment and pay-roll

figures, rose 15 percent—from \$1,397 in 1933 to \$1,608 in 1935. Wholesalers in the 13 principal cities paid an average annual compensation of \$1,834 per employee, while the figure for New York City was \$2,090.

The average annual pay for that type of wholesaler whose chief function is trading was well above the average pay for other types of operation, as evidenced by the following figures: Selling agents, \$2,668; manufacturers' sales offices, \$2,504; drop shippers and desk jobbers, \$2,497; and import agencies, \$2,467. Lowest paid were assemblers of farm products, with an average annual pay roll for their employees of \$859. Part of this variation results from the different employment conditions in these groups.

Final Reports More Complete.

The final reports of the Census of Business will shed light on many other tendencies in this field of distribution. The final reports will provide data on sales, expenses, personnel, pay roll, and stocks, by types of establishment and kinds of business for States, and for cities of more than 50,000 population. Sales, personnel, and pay roll will be shown for smaller cities and counties. Other reports will present detailed analyses of employment, pay roll, expenses, and sales. Volumes II and III are expected to be available about January 15.

by Type of Operation,¹ 1933 and 1935

and grand totals are revised figures. For this reason, not all individual items will total correctly for 1933. Percentages have been kept comparable as far as possible. (Partial data for 1933 or 1935.)

Active proprietors and firm members	Employees, average for year		Pay roll (thousands of dollars)						Stocks on hand (end of year)		Type of operation
			1933			1935					
	Full time, 1933	Full time and part time, 1935	Total	Full time	Part time	Total	Full time	Part time	Amount (thousands of dollars)	Percent of sales, 1935	
1933	Full time, 1933	Full time and part time, 1935	Total	Full time	Part time	Total	Full time	Part time	1933	1935	
97,161	1,875,587	1,958,578	1,883,391	1,060,619	822,772	2,014,161	1,098,458	915,703	1,984,608	3,106,271	Total.
61,648	637,052	750,297	724,937	380,119	344,818	1,158,950	1,134,959	23,991	1,982,758	2,054,426	Full-service and limited-function wholesalers.
14,050	626,847	670,072	801,501	332,387	469,114	1,004,982	984,709	20,273	1,787,107	1,050,830	Wholesale merchants.
32	3,395	3,395	3,395	3,395	0	3,395	3,395	0	10,223	11.5	Voluntary group wholesalers.
236	5,634	5,634	5,634	5,634	0	5,634	5,634	0	45,374	13.3	Converters.
330	4,289	9,172	4,007	8,308	0	12,473	11,673	800	60,717	12.8	Exporters.
1,311	12,847	21,807	24,224	12,847	11,377	48,374	45,900	2,474	126,050	147,650	Inspectors.
300	24,790	24,790	24,790	24,790	0	41,674	41,134	540	94,700	21.8	Industrial distributors.
495	4,875	4,875	4,875	4,875	0	12,185	11,853	332	3,511	1.0	Drop shippers or desk jobbers.
140	1,192	1,192	1,192	1,192	0	1,339	1,298	41	2,110	18.1	Mail-order wholesalers.
16	3,710	3,710	3,710	3,710	0	5,353	5,353	0	15,951	0.7	Retail cooperative warehouses.
4,025	12,716	12,716	12,716	12,716	0	16,869	16,448	421	7,281	3.4	Wholesale distributors.
290	18,119	21,581	20,106	18,119	1,987	404,290	400,810	3,480	15,750	8.2	Limited-function wholesalers.
149	194,177	211,581	237,119	331,094	5,125	105,713	104,882	831	549,912	600,230	Manufacturers' sales branches (with stocks).
3,554	29,822	42,224	69,106	87,810	1,345	105,713	104,882	831	438	—	Manufacturers' sales offices (without stocks).
3,076	94,902	13,009	163,060	150,810	2,141	(1)	(1)	(1)	138,474	168,420	Bulk tank stations (petroleum).
470	70,840	70,840	70,840	70,840	0	17,088	17,455	367	16,467	16.7	Independent stations.
14,980	69,178	67,272	101,929	97,700	4,229	120,433	125,000	4,567	214,073	0.1	Chain-operated stations.
8,235	8,242	8,242	15,943	15,943	0	(1)	(1)	(1)	26,898	5.6	Commission stations.
2,820	17,414	18,042	35,922	34,478	1,444	122,627	120,262	2,365	92,047	1.1	Agents and brokers.
285	3,373	3,373	3,373	3,373	0	19,408	19,000	408	6,384	1.4	Brokers.
295	423	1,207	1,207	1,207	0	22,058	31,037	1,019	22,388	30.1	Commission merchants.
6,548	10,382	14,313	18,631	17,818	813	6,444	6,269	175	1,406	8,578	Export agencies.
891	8,446	11,712	20,983	20,477	411	3,101	3,031	70	1,660	8,048	Import agencies.
619	2,300	2,300	2,300	2,300	0	24,058	22,962	1,096	9,904	13,718	Manufacturers' agents.
286	2,300	2,300	2,300	2,300	0	31,245	30,819	426	9,371	23,719	Selling agents.
10,707	51,806	90,544	77,618	61,822	15,796	5,021	4,082	1,209	850	2,718	Auction companies.
2,223	2,738	2,285	2,285	2,167	118	4,480	4,428	52	192	1	Other agents.
148	20,911	21,275	28,555	23,824	4,731	74,040	62,571	11,472	232,141	200,140	Assemblers.
2,726	10,153	11,189	11,781	10,947	834	1,067	933	134	747	280	Chain stations.
10,543	26,106	21,324	35,021	24,834	10,187	21,072	10,711	2,861	48,070	68,050	Cooperative marketing associations.
1,674	26,106	25,175	35,021	24,834	10,187	15,258	13,877	1,389	41,638	41,638	Elevators (grain).
						15,129	12,948	2,181	99,415	16.3	Country buyers of farm products.
						30,595	15,712	4,883	124,908	1,082	Brokers and shippers.

¹ Less than one-half of 1 percent.

² Complete classification of this group in 1935 eliminated all data relative to that year.

³ Distribution between manufacturers' agents and selling agents not sharply defined prior to 1935, so that any comparison with previous years requires combination of these two groups.